

Congress of the United States
House of Representatives
Washington, DC 20515

May 26, 2006

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Shortly, the United States and Korea are expected to begin formal negotiations for a U.S.-Korea free trade agreement (FTA). We support the negotiation of a comprehensive, high-standards agreement. Such an agreement would have the potential to create substantial opportunities for U.S. workers, farmers, manufacturers and service providers in one of the world's largest markets.

To achieve such an agreement, we urge the Office of the U.S. Trade Representative to use a fresh approach in a number of areas. In the critical automotive sector, American automobile and parts manufacturers have been virtually shut out of the Korean market for decades. This is in spite of two bilateral market access agreements signed in the 1990s. Accordingly, a U.S.-Korea FTA will have to take a new approach to require that Korea provide measurable and meaningful market access for the U.S. automotive sector before any additional access to the U.S. auto market is triggered.

More broadly, an agreement will have to provide effective solutions to obstacles faced by a myriad of U.S. manufacturing and service sectors, including U.S. banks and insurance companies, pharmaceutical companies, software suppliers, audio visual service suppliers, telecommunication companies, processed food suppliers and copyright industries. These obstacles typically arise out of regulations that are discriminatory, opaque, non-transparent, unpredictable and/or unduly burdensome. The obstacles limit opportunities for U.S. goods and services exporters in the Korean market. FTA negotiations offer an important opportunity to eliminate these obstacles.

Similarly, American farmers face agricultural tariffs in Korea that range as high as 500 percent, supplemented by tariff rate quotas and Korea's misuse of sanitary and phytosanitary ("SPS") measures to block U.S. exports. Each of these obstacles can be reduced sharply, if not eliminated, so long as Korea is prepared to negotiate them.

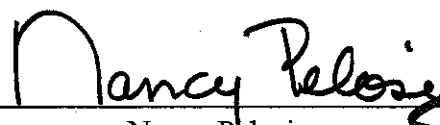
Finally, a U.S.-Korea FTA provides a unique opportunity to negotiate a strong chapter on basic labor standards. We urge that the agreement include a fully enforceable commitment for the signatories to adopt and enforce in their laws internationally-recognized basic labor standards.

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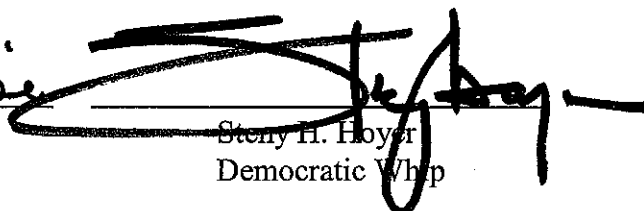
We hope that your Administration will work closely with us on the points outlined above to ensure an agreement that produces real, positive results for American workers and businesses — and, as a consequence, enjoys broad bipartisan support in the House of Representatives when presented to Congress.

We look forward to working with the Administration and stand ready to discuss these views further with you at your convenience.

Sincerely,



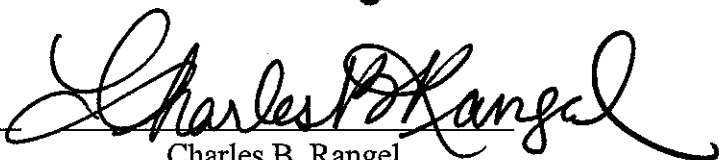
Nancy Pelosi
Democratic Leader



Steny H. Hoyer
Democratic Whip



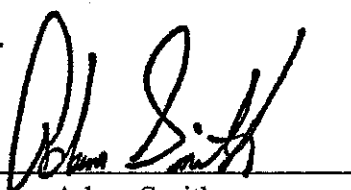
Benjamin L. Cardin
Ranking Democrat
Subcommittee on Trade
Committee on Ways and Means



Charles B. Rangel
Ranking Democrat
Committee on Ways and Means



Ellen O. Tauscher
Chair
New Democrat Coalition



Adam Smith
Co-Chair
New Democrat Coalition